

Bell Atlantic Network Services, Inc.  
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Suite 800  
Washington, DC 20036  
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Gerald Asch  
Director/FCC Relations

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MAR 17 1997

March 17, 1997

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street NW - Room 222  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS  
COMMISSION  
OFFICE OF SECRETARY

Re: **Ex Parte Meeting**  
**CC Docket No. 96-45, Federal-State Joint Board on**  
**Universal Service**

Dear Mr. Caton:

On March 17, 1997, Edward D. Young, III, Vice President - External Affairs and Associate General Counsel, provided to the following members of the Federal-State Joint Board on Universal Service: Ms. S. Nelson, Chairman, Washington Utilities and Transportation Commission; Ms. L. Schoenfelder, Commissioner, South Dakota Public Utilities Commission; Ms. J. Johnson, Commissioner, Florida Public Service Commission; and, Mr. K. McClure, Commissioner, Missouri Public Service Commission; as well as other State Commissioners, via U.S. mail, information on Bell Atlantic's Universal Service position.

An original and a copy of this ex parte, which includes a copy of the letters sent to the members of the Federal-State Joint Board on Universal Service, (the letter incorrectly reflects the date of March 12, 1997, the letters were posted today March 17, 1997) are being filed in the office of the Secretary today, March 17, 1997. Please include it in the public record of this proceeding.

Respectfully submitted,



Gerald Asch  
Director - FCC Relations

No. of Copies rec'd  
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Bell Atlantic Network Services, Inc.  
One Bell Atlantic Plaza  
1310 North Court House Road, 11th Floor  
Arlington, Virginia 22201  
703 974-1200  
FAX 703 974-8261  
E-Mail: [edward.d.young@bell-atl.com](mailto:edward.d.young@bell-atl.com)

Edward D. Young, III  
Vice President - External Affairs and  
Associate General Counsel

March 12, 1997

The Honorable Sharon L. Nelson  
Chairman  
Washington Utilities and Transportation Commission  
Chandler Plaza Building  
P. O. Box 47250  
Olympia, WA 98504-7250

Dear Chairman Nelson:

I attended parts of the NARUC meeting in Washington that just concluded and spoke on a panel regarding the Bell Atlantic/NYNEX merger. I also spoke to several NARUC commissioners at the meeting regarding the universal service recommendations proposed by the Joint Board.

Bell Atlantic is fully committed to ensuring that universal service is available and affordable to all Americans. In some parts of the country it is very expensive to provide telephone service - mountainous or sparsely populated areas for instance. In many cases, these high cost areas may be the only areas a company serves and without support rates would be astronomical or the company would go broke. Therefore some level of federal support is essential to ensure affordable universal service. However, Bell Atlantic believes that these federal funds should be limited and should not impede or infringe on the states' flexibility to individually address their respective needs.

States have kept an equitable view towards local phone rates, and today they remain a great bargain for all Americans. Working together, local telephone companies, the states, and the FCC have been able to make this system work for all Americans. We can continue to make this partnership work without the massive federal funding that some parties have suggested and which may necessarily infringe on the jurisdictional authority of the state commissions.

At the NARUC meeting in Washington, FCC Chairman Reed Hundt appeared to have reached a sound policy decision based on his remarks before the Communications Committee. He joined those who see no need for a giant federal program to assure that telephone service is affordable for all Americans. The fact is, states have been guaranteeing low cost phone service for years. There is no problem here, and Chairman Hundt rightly has decided not to fix it.

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Now with competition a growing reality for the local telephone business, there is the possibility that new entrants will choose to serve only customers in the low-cost areas and may not offer service in the hard to serve places. The big long distance companies, for instance, have publicly said they will not attempt to serve the "lower end of the market."

The competitive landscape in each of the states may require different approaches to ensure that all telephone companies support the cost of providing service in those unprofitable places.

If you agree with Bell Atlantic's position that Universal Service requires only a small federal fund and that the states should have the flexibility to address their own needs, I would ask you to contact the FCC and convey your position.

Please call me if you would like to discuss this issue. Or you may call my NARUC contact staff, Mr. Link Hoewing on 703-974-5516 or Mr. Frank Thompson on 703-974-6411.

Sincerely,

A handwritten signature in cursive script that reads "Ed Young". The signature is written in dark ink and includes a long, sweeping horizontal line extending to the right from the end of the name.

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Edward D. Young, III  
Vice President - External Affairs and  
Associate General Counsel

March 12, 1997

The Honorable Kenneth McClure  
Commissioner  
Missouri Public Service Commission  
PO Box 360, Truman State Office Bldg.  
Jefferson City, MO 65102

Dear Commissioner McClure:

I attended parts of the NARUC meeting in Washington that just concluded and spoke on a panel regarding the Bell Atlantic/NYNEX merger. I also spoke to several NARUC commissioners at the meeting regarding the universal service recommendations proposed by the Joint Board.

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Edward D. Young, III  
Vice President - External Affairs and  
Associate General Counsel

March 12, 1997

The Honorable Julia Johnson  
Chairman  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Gerald Gunter Building  
Tallahassee, FL 32399-0850

Dear Chairman Johnson:

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Edward D. Young, III  
Vice President - External Affairs and  
Associate General Counsel

March 12, 1997

The Honorable Laska Schoenfelder  
Commissioner  
S. Dakota Public Utilities Commission  
500 East Capitol Street  
Pierre, SD 57501-5070

Dear Commissioner Schoenfelder:

I attended parts of the NARUC meeting in Washington that just concluded and spoke on a panel regarding the Bell Atlantic/NYNEX merger. I also spoke to several NARUC commissioners at the meeting regarding the universal service recommendations proposed by the Joint Board.

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